OMB Approval 2700-0042

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE	PAGE	OF	PAGES
	1		1

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. *(If applicable)*
M166	See Block 16C		

6. ISSUED BY — CODE

U.S. Department of Energy
Richland Operations Office
825 Jadwin Avenue, MSIN A7-80
Richland, WA 99352

7. ADMINISTERED BY *(If other than Item 6)* — CODE

8. NAME AND ADDRESS OF CONTRACTOR *(No. Street, county, State and ZIP: Code)*

Fluor Hanford, Inc.
2420 Stevens Center
PO Box 1000
Richland, WA 99352

CODE — FACILITY CODE

(✓)	9A. AMENDMENT OF SOLICITATION NO.
	9B. DATED *(SEE ITEM 11)*
	10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC06-96RL13200
	10B. DATED *(SEE ITEM 13)* 08/06/96

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning one (1) copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATA SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and data specified.

12. ACCOUNTING AND APPROPRIATION DATA *(If required)*

N/A $0.00

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(✓)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: *(Specify authority)* THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES *(such as changes in paying office, appropriation date, etc.)* SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Mutual Agreement
	D. OTHER Specify type of modification and authority)

E. IMPORTANT: Contractor ☐ is not, ☒ is required to sign this document and return 2 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION *(Organized by UCF section headings, including solicitation/contract subject matter where feasible.)*

This modification:

a) Deletes contract Section B, and adds the revised Section B, attached. The revised Section B, updates clause B.2, Obligation of Funds, and clause B.4, Estimated Cost and Fee, and adds new clause B.7, Performance Based Incentive Transition.

b) Adds new Performance Incentives, attached, to contract Section J, Appendix D, Performance Objectives, Measures, Expectations and Incentives.

Reviewed 11/27 Approved LEGAL

Except at provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER *(Type or print)*		16A. NAME AND TITLE OF CONTRACTING OFFICER *(Type or print)*	
E. K. THOMSON PRESIDENT		Keith A. Klein Manager	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
E. K. Thomson *(Signature of person authorized to sign)*	11/27/02	BY *(Signature of Contracting Officer)*	11/27/02

PART I - THE SCHEDULE

SECTION B
SUPPLIES OR SERVICES AND PRICES/COST

TABLE OF CONTENTS

B.1 SERVICES BEING ACQUIRED

The Contractor shall be responsible for planning, managing, integrating, operating and implementing a full range of Hanford programs, projects, and other activities as set forth in Section C. The Contractor shall, in accordance with the terms of this contract, furnish all personnel, facilities, equipment, materials, supplies, and services (except as expressly set forth in this contract as furnished by the Government) and otherwise do all things necessary for, or incident to, performing in an efficient and effective manner all work set forth in Section C, or as may be directed by the Contracting Officer within the scope of this contract.

B.2 OBLIGATION OF FUNDS

The amount obligated by the Government with respect to this contract is $5,022,671,036.52 as of September 30, 2002. Such amount may be increased unilaterally by DOE Contracting Officer written notice to the Contractor and may be increased or decreased by modification to the contract. Estimated collections from others for work and services to be performed under this contract are not included in the funds currently obligated. Such collections, to the extent actually received by the Contractor, shall be processed and accounted for in accordance with applicable requirements imposed by the DOE Contracting Officer. Nothing in this paragraph is to be construed as authorizing the Contractor to exceed limitations stated in financial plans, such as the Modification of Contract Obligation Notice and Distribution of Obligation Report (for individual orders of work for other DOE offices and non-DOE funded work only), established by DOE and furnished to the Contractor from time to time under this contract, unless written direction is provided by the DOE Contracting Officer.

B.3 AVAILABILITY OF APPROPRIATED FUNDS

The duties and obligations of the Government calling for the expenditure of appropriated funds shall be subject to the availability of funds appropriated by the Congress, which DOE may legally spend or obligate for such authorized purposes. Any work performed that exceeds funds currently obligated by BNR controls and specific limitations identified in Contract Modifications to Section B.2. and Distribution of Obligation Report (for individual orders of work for other DOE offices and non-DOE funded work only), without the written consent of the DOE Contracting Officer, shall be at the Contractor's risk.

B.4 ESTIMATED COST AND FEE

A. Estimated Cost and Fee

The estimated cost of the contract is the total funding provided from October 1, 1996 through September 30, 2002, (which totals $5,022,671,036.52), plus an estimated budgetary funding of $2,857,724,000.00 for the period October 1, 2002 through September 30, 2006, for a total estimated funding of $7,880,395,036.52.

The estimated budgetary funding, including fee, for FY 2003 through FY 2006 is set forth as follows ($ in millions):

	FY03	FY04	FY05	FY06	Total
Total Funding (including fee)	676.4	752.5	731.9	696.9	2857.7
Fee	31.0	31.9	42.7	74.5	180.1

Total funding is defined as all funds (e.g. EM, NE, and other DOE-HQ organizations, RL, Other Hanford Contractors (net transfers), Other DOE sites, Other DOE prime contractors, Other Federal Agencies, and other Commercial entities) the Contractor receives to perform work, excluding RL holdbacks.

B. Fee

1. Pursuant to the fee schedule above, more or less fee may be paid out in a given year, but in no case shall the paid fee exceed the fee amount in the "Total" column above.

2. Unearned fee that is not forfeited for failures to meet contract or performance-based incentive requirements shall be accrued if appropriate, or recorded as a commitment.

C. Fee Pool Adjustment

If the estimated total funding for a fiscal year in the schedule set forth above in Part A varies from the actual funding by more than plus or minus 10%, or the complexity of the workscope changes significantly, the contracting officer may adjust the total available fee pool for that year based upon the fee curves contained in the Department of Energy Acquisition Regulations.

B.5 SINGLE FEE

The parties formerly agreed to a single fee pool for the Contractor and its major subcontractors under Clause B.4 of this contract as originally executed. Pursuant to the Contractor's reorganization, the concept of "major subcontractor" as originally proposed is no longer applicable to this contract. The Contractor agrees that it will not charge costs to the contract representing any fee or profit for a subcontractor managing any workscope currently managed by a major subcontractor. These contractors currently are Duke Engineering Services of Hanford, Inc., Numatec Hanford Corporation, Westinghouse Safety Management Solutions (PFP contract) and Duratek Federal Services of Hanford, Inc.

B.6 OPTION EXERCISE; REDUCTION OF TERM

The term of the contract is extended for an additional five years with a contract completion date of September 30, 2006. However, if, by the end of Fiscal Year 2003, FHI fails to earn 60 percent of the incentive fee available for annual performance based incentives, the comprehensive incentive, and progress payments based on completion dates in the multi-year incentives, then FHI agrees that the term of this contract may be reduced from its current expiration date of September 30, 2006. The new expiration date shall be set at the unilateral discretion of the contracting officer. The parties agree that the contract shall expire on the new date set by the contracting officer, and shall constitute completion of the contract.

The Government’s right to set an earlier contract completion date shall be in addition to the Government’s rights established under FAR 52.249-6 "Termination (Cost Reimbursement)" located in Section I of this contract.

B.7 PERFORMANCE BASED INCENTIVE TRANSITION

A. The Performance Objective, Measures, Expectations and Incentives (PIs) incorporated in Section J, Appendix D of the PHMC through Contract Modification M159, dated July 8, 2002 (except for those incentives cancelled by RL Letter 02-PRO-1153 dated October 1,2002) will be cancelled as of December 31, 2002 except as follows:

1. The Contractor may earn provisional and progress payments in accordance with the existing PIs for milestones due through December 31, 2002. For PI M1, K-Basins Deactivation, the decreasing scale balloon payment for completion of movement of 957 MTHM fuel after 12/31/02 up to 1/31/03 will continue to be in effect.

2. Incremental and balloon progress/provisional payments may continue to be earned under the existing PIs as listed below (increments listed below are total cumulative increments for each PI).

- M1, K- Basins Deactivation
  - MCOs – The Contractor will earn fee per increments (up to 39)
  - Movement of 957 MTHM - the balloon payment will be paid on the decreasing scale for completion after 12/31/02 up to 1/31/03
  - Initiation of fuel transfer between KE and KW Basins – balloon payment
  - Non-production Reactor Fuel – 4 increments
  - Racks and Canisters – 7 increments
- M2. Pu Stabilization/PFP Deactivation
  - Metals/oxides/polycubes – 71 increments
  - Residues – 113 increments - Increments completed through 2/18/04 may be billed under the transition provision of this clause.
- M3, 200 Area Facility Disposition
  - B Plant/PUREX roofs – balloon payment
  - Railcar disposition – superstretch balloon payment
- M5, Treat and Dispose MLLW – 133 increments
- M6, Certify and Ship TRU
  - Certify - 12 increments
  - Ship – 10 increments
- M7, Accelerate Readiness to Receive K Basin Sludge
  - Remove Shipping Port Fuel – 4 increments
- M8, 324/327 Facilities – stretch balloon payment
- M8a, 300 Area Cleanup (324 SNF & Special Material Removal) – superstretch balloon payment

3. All other incremental payments will be limited to quantities billed through October 2002.

4. Any provisional fee earned by the contractor under these PIs shall convert to progress fee in accordance with the schedule set forth in the version of the PIs through Modification M159.

B. Any New PIs developed and agreed upon as part of the acceleration initiatives will be effective as of the date of the Contract Modification that incorporates the PIs into the contract.

C. The Contractor shall rebaseline consistent with the requirements of this Contract. All Baseline Change Requests (BCR) submitted to DOE prior to the signing of this contract modification but not yet approved shall be incorporated into the new baseline consistent with the new Statement of Work.

PART III - LIST OF DOCUMENTS EXHIBITS AND OTHER ATTACHMENTS

SECTION J

APPENDIX D

PERFORMANCE OBJECTIVES, EXPECTATIONS AND INCENTIVES

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
S-3 - Stabilize/Dispose of High-Risk Nuclear Materials

Desired Endpoint/Outcome: Eliminate risk of special nuclear material to the Hanford Site.
$78.0M of the fee available in Contract Clause B.4

Performance Objective 1: Cleanout K-Basins and transition to River Corridor by 10/30/05.
$40.0 M of the fee available in Contract Clause B.4.

Performance Objective 1a: Cleanout K-East Basin by 6/30/05.

- $2.0 M may be earned as provisional payment in 10 increments of 360 fuel canisters transferred from K-East to K-West. This provisional payment shall convert to progress payment if all K-East fuel is transferred to K-West Basin by 1/31/04 or upon cleanout of K-East Basin (removal of all spent nuclear fuel, sludge, debris and water) by 6/30/05, linearly decreasing per day to $0 by 9/30/05. Increments payable as follows:
  - Increment 1-2 at $500K each
  - Increment 3-6 at $200K each
  - Increment 7-10 at $50K each
- $3.0 M may be earned as provisional payment in 14 increments of 3 cubic meters and 1 increment of remainder cubic meters of sludge moved from K-East to T-Plant. Increments payable as follows:
  - Increment 1 at $1 M
  - Increment 2-4 at $300K each
  - Increment 5-15 at $100K each

  This provisional payment shall convert to progress payment upon cleanout of K-East Basin (removal of all spent nuclear fuel, sludge, debris and water) by 6/30/05, linearly decreasing per day to $0 by 9/30/05.
- $3.0 M may be earned as progress payment upon removal of all water from K-East.
- $4.0 M may be earned as progress payment upon cleanout of K-East Basin (removal of all spent nuclear fuel, sludge, debris and water) by 6/30/05, linearly decreasing per day to $0 by 9/30/05.

Performance Objective 1b: Cleanout K-West Basin by 9/30/05

- $5.0 M may be earned as progress payments in 10 increments of 25 MCOs of SNF moved from K-West.
- $2.0 M may be earned as progress payments in 4 increments of 80 MCOs and 1 final increment of 80 plus MCOs welded and stored in CSB in final configuration.
- $3.0 M may be earned as progress payment upon completion of all sludge moved from K-West to T-Plant.
- $3.0 M may be earned as progress payment upon removal of all water from K-West.
- $5.0 M may be earned as progress payment upon cleanout of K-West Basin (removal of all spent nuclear fuel, sludge, debris and water) by 9/30/05, linearly decreasing per day to $0 by 12/30/05

Performance Objective 1c: Complete deactivation and transition to River Corridor Contractor by 10/30/05.

- $10 M may be earned as progress payment upon deactivation of all facilities as delineated in the final facility Endpoint Criteria document and transferred to the River Corridor Contractor by 10/30/05, linearly decreasing per day to $0 by 1/30/06.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
S-3 - Stabilize/Dispose of High-Risk Nuclear Materials

Performance Objective 2: Complete Pu Stabilization and Packaging, de-inventory, and protected area elimination of Plutonium Finishing Plant (PFP) by 12/30/05.
$24.0 M of the fee available in Contract Clause B.4

Performance Objective 2a: Complete stabilization & packaging of DNFSB 2000-1 Pu bearing materials by 2/18/04

- $2.5 M may be earned as progress payment in 9 increments of 500 items and 1 increment of 166 items of polycubes and oxides stabilized and packaged.
- $1.0 M may be earned as provisional payment upon completion of all polycubes.
- $5.0 M may be earned as progress payment and the provisional payment convert to progress payment upon completion of all stabilization and packaging of Pu bearing materials by 2/18/04, linearly decreasing per day to $0 by 5/18/04.

Performance Objective 2b: Complete shipment of special nuclear material to Savannah River Site or a DOE approved interim storage facility by 9/30/05.

- $1.0 M may be earned as provisional payment for initial shipment to Savannah River.
- $2.0 M may be earned as progress payment in 10 increments of 10% of SNM shipped.
- $1.5 M may be earned as progress payment and the provisional payments convert to progress payment upon completion of all shipments by 9/30/05, linearly decreasing per day to $0 by 12/30/05.

Performance Objective 2c: $4.5 M may be earned as provisional payment in 10 increments of 10% of Pu holdup removed and dispositioned. Provisional payments convert to progress payment upon completion of Pu holdup removal and disposition by 9/30/05, linearly decreasing per day to $0 by 12/30/05. Increments payable as follows:

- Increment 1-2 at $1 M each
- Increment 3-6 at $400K each
- Increment 7-10 at $225K each

Performance Objective 2d: $6.5 M may be earned as progress payment when the PFP Protected Area is eliminated by 12/30/05, linearly decreasing per day to $0 by 3/30/06.

Performance Objective 3: Place all Cesium/Strontium (Cs/Sr) capsule packages into dry storage by 9/30/06.
$12.0 M of the fee available in Contract Clause B.4

- $2.0 M may be earned as provisional payment upon completion of fabrication and construction/modifications for dry storage and successfully complete the Readiness Review activities in accordance with DOE Order 425.1B, Startup and Restart of Nuclear Facilities. Provisional payment converts to progress payment upon placement of the first capsule into dry storage.
- $4.0 M may be earned as progress payment in 4 increments of 25% of capsule inventory placed into dry storage.
- $6.0 M may be earned as progress payment upon placement of all capsules into dry storage by 9/30/06

Performance Objective 4: Remove sodium and fuel assemblies from Fast Flux Test Facility (FFTF) by

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
S-3 - Stabilize/Dispose of High-Risk Nuclear Materials

TBD.
$2.0 M of the fee available in Contract Clause B.4.

- $TBD M may be earned as progress payments upon removal of primary sodium.
- $TBD M may be earned in incremental progress payments upon removal of 81 fuel assemblies as follows:
  - $TBD K for the first nine casks (60 assemblies)
  - $TBD K for each additional cask (up to 3) of 7 assemblies cask

Signatures

_____ _____
E. Keith Thomson, President & Chief Executive Officer Date
Fluor Hanford, Inc.

_____ _____
K.A. Klein, Manager Date
Richland Operations Office

Attachment 1

DOE-RL Performance Completion Criteria/Evaluation Document

The following completion criteria, assumptions and GFI/GFS commitments establish the technical and regulatory basis upon which the accelerated closure actions and dates are premised. This does not assume that issues associated with the assumptions have been resolved; but rather, that we have reached agreement that the assumptions have merit and we will work together with affected organizations and agencies to resolve the issues.

FY 2003 - FY 2006 FHI PERFORMANCE INCENTIVE
S-3 - Stabilize/Dispose of High-Risk Nuclear Materials

Performance Objective 1: Cleanout K-Basins and transition to River Corridor by 10/30/05.

Performance Objective 1a: Cleanout K-East Basin by 6/30/05

- Complete removal of fuel from K-East to K-West Basin
  Remove all spent nuclear fuel from the K-East Basin and transport to the K-West Basin.
- Complete removal of sludge from K-East Basin and placed into T-Plant
  Remove visible sludge from the K-East Basin floor and pits; collect, pump to a loadout system and transport containers to 200 W Area for off-loading and interim storage at the T-Plant Facility. Sludge shall meet the waste acceptance criteria for T-Plant. It is understood that additional fuel fragments may be discovered during the removal of sludge; however, this will not adversely impact the fuel removal completion criteria.
- Complete removal of all water from K-East Basin. .
  Remove water from K-East Basin and transfer to the 200 Area Effluent Treatment Facility (ETF). The water shall meet the acceptance criteria for ETF.
- Remove all spent nuclear fuel, sludge, debris (including canisters, etc.) and water from K-East Basins. The Contractor will have obtained DOE-RL approval on a Proposal for a new K-Basins to River Corridor Transition Endpoint prior to effecting changes towards a new cleanup/cleanout approach at K-Basins. The proposal must resolve at least the following four areas of concern: (1) Regulatory approaches; (2) Cost effectiveness of the remaining lifecycle work scope; (3) All potential ERDF WAC impact considerations; (4) Worker and Public safety (e.g., ALARA)

Assumptions:

- See Performance Objective 1C

Performance Objective 1b: Cleanout K-West Basin by 9/30/05.

- Complete removal of fuel from K-West Basin
  Remove all spent nuclear fuel from the K-West Basin and transport to the Cold Vacuum Drying Facility.
- Store MCOs in Canister Storage Building, welded and in final configuration ready for transfer to national geologic repository. Included are only the MCOs containing K-Basins fuel and the SSFCs (Shippingport Spent Fuel Containers) containing the Shippingport PWR fuel removed from T-Plant. Excluded is the final welding of the MCOs designated in the MCO Monitoring Plan, SNF-5536, for long-term monitoring.
- Complete removal of sludge from K-West Basin and place into T-Plant
  Remove visible sludge (floor, pits and canister sludge); collect, and transport containers to 200 W Area for off-loading and interim storage at the T-Plant or other appropriate storage facility. Sludge shall meet the waste acceptance criteria for T-Plant. It is understood that

additional fuel fragments may be discovered during the removal of sludge; however, this will not adversely impact the fuel removal completion criteria.

- Complete removal of all water from K- West Basin.
  Remove water from K-West Basin and transfer to the 200 Area ETF. The water shall meet the acceptance criteria for ETF.
- Remove all spent nuclear fuel, sludge, debris (including canisters, etc.) and water from K-West Basins. The Contractor will have obtained DOE-RL approval on a Proposal for a new K-Basins to River Corridor Transition Endpoint prior to effecting changes towards a new cleanup/cleanout approach at K-Basins. The proposal must resolve at least the following four areas of concern: (1) Regulatory approaches; (2) Cost effectiveness of the remaining lifecycle work scope; (3) All potential ERDF WAC impact considerations; (4) Worker and Public safety (e.g., ALARA)

Assumptions:

- See Performance Objective 1C

Performance Objective 1c: Complete deactivation and transition to River Corridor Contractor by 10/30/05

- Deactivate Cold Vacuum Drying Facility and all other ancillary facilities in the 100K Area and transfer to the River Corridor Contractor. All facilities shall meet deactivation criteria as delineated in the final facility Endpoint Criteria document.

Assumptions

- FH controls the interface to minimize interferences between welding, and design and construction of the modifications to CSB necessary to receive vitrified High Level Waste from WTP.
- For K-East Sludge Water system: Based on agreements reached in recent meetings between DOE–RL and FH, DOE will approve FH's SNM Accountability Deviation Request to allow Termination of SNM Safeguards for sludge, prior to shipment to T Plant; with no additional sampling/analysis.
- Approval of changes to the following TPA milestones:
  - M-34-27-T01 – Move 1,252 MTHM (5/31/03)
  - M-34-28 - Move 1,619 MTHM (12/31/03)
  - M-34-10/DNFSB #120 – Complete sludge removal (8/31/04)
  - M-34-09-T01 – Complete K Basins racks and canister removal (1/31/05)
  - M-34-23 - Initiate KE Water Removal (9/30/04)
- For K East sludge removal, the Authorization Basis will be modified to allow floor/pit sludge transfers of up to 2.0 cubic meters per Large Diameter Container, without intermediate settling periods.
- Authorization Basis will be modified to allow for 5 or 6 scrap baskets per MCO
- The accountability value determination of the nuclear material (NM) located in the knock out pots in the K-West Basin will be determined by proportioning the total net knock out pot weight (based on the scrap weight generated by each key), and multiplying the value by the NM concentration of scrap from each key, and summing up each portion to arrive at a total. A formal deviation may be required.
- The accountability value determination of the nuclear material (NM) located in the Settler Piping in the K-West Basin will be determined by proportioning the total net Settler Piping weight (based on the scrap weight generated by each key), and multiplying the value by the NM concentration of scrap from each key, and summing up each portion to arrive at a total. A formal deviation may be required.

- The North Loadout Pit sludge in K-West will be adequately characterized and measured to assign an accountability value,. The same loading method as will be used for K-East sludge, will be adequate for assigning accountability values to individual containers of this K-West sludge stream.
- SNF Scrap may be loaded into scrap baskets and Containers (e.g., MCO's) irrespective of fuel type, provided a calibrated weight measurement is recorded and accountability values are assigned.

Performance Objective 2: Complete Pu Stabilization and Packaging, de-inventory, and protected area elimination of Plutonium Finishing Plant (PFP) by 12/30/05.

Performance Objective 2a: Complete stabilization & packaging of DNFSB 2000-1 Pu bearing materials by 2/18/04

- Completion of the DNFSB milestone is considered met when all material of a category identified in the current DOE Implementation Plan (IP) for Recommendation from 2000-1 has been stabilized and/or dispositioned in accordance with the DNFSB 2000-1 Implementation Plan except the new "metals milestone" (weld porosity issue to be resolved by HQ, RL and SR).
- The plutonium materials stabilization is considered complete when they have met the DOE-STD-3013 standard and are packaged and placed into vault storage.
- Plutonium residues are considered stabilized when they are treated (if required) and placed in a drum/pipe, and meet the Hanford Site Solid Waste Acceptance Criteria which incorporates the current WIPP Waste Acceptance Criteria (WAC) requirements. Residues shall be packaged as appropriate to meet Hanford Site Solid Waste Acceptance Criteria (HNF-EP-0063) and WIPP WAC requirements (including NDA Batch reports).
- Pu materials are also considered complete when they have been sent to another site for treatment or disposition. Plutonium materials (Pu, Pu + U) removed from the Hanford DNFSB 94-1/2000-1 inventories through other DOE approved means shall also be considered stabilized.

Assumptions:

- IAEA availability/support to swap more items during each planned visit or exchange of Rocky Flats material at Savannah River Site. All material will be swapped by August 31, 2003.
- Any waiver to the 3013 criteria to allow the reduced temperature stabilization of high chloride materials granted to Rocky Flats will also apply to Hanford and will be granted in a timely manner.
- PFP material inventory is adequately represented by existing Material Inventory Surveillance (MIS) samples in the MIS program and additional samples are not required.

Performance Objective 2b: Complete transfer of special nuclear material to Savannah River Site or a DOE approved interim storage facility by 9/30/05

- Ship all special nuclear material to Savannah River Site (SR) or placed in DOE-RL approved interim storage.
  - For SNM shipped to SR or other approved location, it is complete when it leaves the PFP PA on approved transport.
  - SNM - Special Nuclear Material is defined to be that quantity required to be removed in order to reduce the protected area, except holdup material covered in 2c below.

Assumptions:

- The DOE-RL/DOE-AL-OTS surveillance is the only readiness activity to be conducted to commence off-site shipping. For on-site shipping, a security transportation plan and requirements review will be performed.
- DOE-SRS/DOE-RL approved shipping and receiving plan will permit shipments in either 9975 or SAFKEGs by either Safe Secure Transport or commercial carrier
- M60/60A and RRSC's are authorized for onsite shipment.

Performance Objective 2c: Complete legacy holdup removal and packaging/disposition of material/wastes by 9/30/05

- Complete legacy holdup removal and packaging/disposition of material/wastes. Pu holdup disposition is considered complete when: All material has been removed, treated (if required), characterized, and packaged to meet Hanford Site Solid Waste Acceptance Criteria (which incorporates the WIPP Waste Acceptance Criteria (WAC) requirements) or packaged to DOE-STD-3013 Standard requirements and stored in the vaults, or removed from the PFP protected area, or removed from the Material Control Accountability (MC&A) records. Any 3013 containers generated need to be removed from the protected area in accordance with 2b.
- Holdup Material – Any plutonium-bearing residue remaining in pipe systems, ducts, gloveboxes, tanks, etc. as identified in the Material and Accountability records, that must be removed to accomplish 2d below.

Assumptions:

- "Pu holdup" is defined as that holdup material required to be removed to eliminate the PFP Protected Area.
- FH assumes that "limited area islands" may be established or retained to protect government assets (both information and SNM) that will remain at PFP following successful completion of this PI but that are below the threshold for Protected Area controls.
- The quantities and attractiveness of legacy holdup to be removed from PFP are not materially greater than the values in the MC&A records as of 9/30/02.

Performance Objective 2d: Eliminate the PFP protected area by 12/30/05

- Eliminate the security protected area at the PFP complex by December 30, 2005, so that special access requirements, controls, safeguards and security dictated by DOE Orders for protected areas are no longer required. Limited Area "islands" are acceptable for protection of information and residue Pu beyond 12/30/05.

Assumptions:

- Protected Area reduction requirements will not be materially different than those applied at Hanford in October 2002.
- Material/Waste held back after 9/30/05 for required samples are low enough in quantity and attractiveness to not require protected area controls.

Performance Objective 3: Place all Cesium/Strontium (Cs/Sr) capsule packages into dry storage by 9/30/06.

- Place all Cesium/Strontium (Cs/Sr) capsule packages into dry storage by 9/30/06.
  - Complete when the last capsule is placed in dry storage facility in accordance with Documented Safety Analysis.

Assumptions:

- A commercial provider of a "turn-key" storage system will be available and can meet schedule requirements.
- Obtain Part B permit and NOC required for dry storage by no later than 03/31/05.
- NEPA/SEPA, RCRA permitting can start based on conceptual design.
- Define NEPA level as Environmental Assessment by 3/31/04
- A FONSI will be issued by 9/30/04.

Performance Objective 4: Remove sodium and fuel assemblies from Fast Flux Test Facility (FFTF) by TBD.

- Drain primary sodium by TBD
  - Sodium systems will be drained of their sodium inventories to the maximum extent practicable, recognizing that this will leave residual sodium. Residual sodium is described in the Fast Flux Test Facility Closure Project, Project management Plan, HNF-SD-FF-SSP-004, Revision 5, September 30, 2002 and includes sodium in cold traps, low points in piping systems, and non-draining, small diameter piping.
  - Approximately 56,000 gallons of sodium will be transferred from the 3 Secondary Heat Transport System loops to the Sodium Storage Facility in accordance with the Secondary Sodium Drain procedure. (Approximately 7,000 gallons of Secondary Sodium was previously transferred to the primary system storage tanks and approximately 3,000 gallons will be transferred to T-43, a primary sodium storage tank, to perform sodium flush of in containment NaK loops.) The actual amount of secondary sodium drained will be determined by measuring the sodium level in the secondary drain tank and/or Sodium Storage Facility tank(s). Associated trace heat systems will be de-energized and secondary main motor and pony motors secured. Completion does not include disposition of residual sodium in piping system, cold traps, and other low points in the system, shutdown and lay up of associated cover gas, electrical support, heating & ventilation, secondary pump lube oil skids, or other Secondary Heat Transport System support systems.
  - Sodium from the tube side of the Intermediate Heat Exchangers and the sodium-potassium alloy in the primary cold trap cooling loop and the Interim Decay Storage loop must be dispositioned as described in the Fast Flux Test Facility Closure Project, Project management Plan, HNF-SD-FF-SSP-004, Revision 5, September 30, 2002, before the primary systems are drained.
  - Drain primary sodium to the Sodium Storage Facility. A significant percentage of the primary sodium will be transferred from the 3 primary Heat Transport System loops and the reactor outlet plenum to the Sodium Storage Facility. The actual amount of primary sodium drained will be determined by measuring the sodium level in the primary drain tank and/or the Sodium Storage Facility tanks. Sufficient sodium will remain in the reactor vessel to maintain the heaters submerged to maintain the sodium molten until it can be drained. Associated trace heat systems will be de-energized and primary pony motors secured. Completion does not include draining the final sodium from the reactor vessel, disposition of residual sodium in piping systems, cold traps, and other low points in the system, shutdown and lay up of associated cover gas, electrical support, heating and ventilation, primary pump lube oil skids or other Primary Heat Transport System support systems.
- Wash, dry and store 81 FFTF fuel assemblies by TBD.
  - Irradiated fuel assemblies (Category IV) are to be loaded in Interim Storage Casks (ISC) and stored in the 400 Area Interim Storage Area (ISA) or the 200 Area ISA. Irradiated fuel assemblies (Category III) will be stored in ISC and transported to PFP. Slightly and moderately radioactive fuel assemblies (Category I and II) will be stored in ISC and transported to PFP. Unirradiated fuel (Category I) will be stored in separate ISCs and transported to PFP.

- All the Category I, II, and III fuel assemblies are to be part of the 81 fuel assemblies to be dispositioned except for the sodium bonded assemblies.

Assumptions:

- RL will issue authorization to proceed with sodium removal and defueling by December 16, 2002.

Government Furnished Services/Items:

Performance Objective 1

- Termination of the CVDF, K-East, and K-West Nuclear Facility designation requirements upon the shipment of the last product (fuel, scrap, sludge, and basin water) will be approved by DOE-RL within 60 days of submission.
- Revision of the End-Point-Criteria for the transition to the River Corridor Contractor to only require the de-inventory of vessels/systems, removal/shipment of resulting de-inventoried wastes, and the de-energization of all systems without the removal of canister racks will be approved by DOE-RL within 60 days of submission..
- Safeguards measures which may be required for on site storage of SNF Sludge, Scrap or Debris (e.g., at T Plant) may be achieved by a combination of application of formal Administrative controls and Tamper Indicating Devices (TID) directly to Cell Block covers; vs. applying TIDs to individual containers. Formal Deviation (variance) will be approved by DOE-RL within 60 days of FH submittal.
- DOE will approve FH's SNM Accountability Deviation Request to allow Termination of SNM Safeguards for K-East sludge, prior to shipment to T Plant; within 40 days of FH submittal.

Performance Objective 2

2.a

- Obtain 9975 SARP Certificate of Compliance (C of C) Amendment allowing PFP 3013s by 2/28/03
- Receive DOE-RL written direction as to the disposition path for 126 items requested by LLNL by 1/31/03. If the disposition path is to LLNL, LLNL must accept all material no later than 2/18/04 or relief will be granted from the 2/18/04 date. Further, if the disposition path is to LLNL, the SAFKEG SARP (C of C) must be approved by 3/1/03
- DOE-SR approval of PFP's compliance with SRS acceptance criteria within 60 days of submittal
- Approve Safeguard Termination Limit (STL) for low plutonium content mixed oxides and group II residue alloys (dispose as is) within 60 days of submittal.
- Expedite non-PSAP security clearance processing for a large number of PFP new hires; average Q clearance processing durations will be reduced to 6 months; clearances active at other DOE sites can be transferred to Hanford. Approved PSAP personnel that transfer from other sites, complete Hanford specific PSAP requirements, and precertification documents are approved into the Hanford PSAP program within 5 working days.

2.b

- At least 75 9975 certified over packs will be made available to PFP from DOE-RF by 2/28/03
- Obtain 9975 SARP (C of C) Amendment allowing use of PFP 3013s by 2/28/03
- Obtain SAFKEG (C of C) by 3/1/03
- DOE-SR approval of PFP's compliance with SRS acceptance criteria within 60 days of submittal
- Approve DOE-SRS/RL Shipping and Receiving Plan by 1/31/03
- Approve Supplement Analysis and Record of Decision (ROD) amendment for PFP WG and FG material by 2/28/03

- Approve one-time exception to ship FFTF fuel to SRS in M60 and RRSCs, or approve a deviation regarding disposition by co-mingling with irradiated fuel (if supported by a Vulnerability Assessment) within 90 days of submittal.
- Provide Safe and Secure Transports (SSTs) beginning November 1, 2003 at a rate to achieve an average of 16.5 truck and trailer shipments per quarter until de-inventory is completed or provide written direction to proceed with the design, construction and loading of an alternate on-site storage facility no later than 3/31/03.

2.c

- FH will accelerate submittal of the Legacy Holdup Removal and disposition plan, approval by DOE-RL will be provided within 60 days of receipt.
- Expedite non-PSAP security clearance processing for a large number of PFP new hires; average Q clearance processing durations will be reduced to 6 months; clearances active at other DOE sites can be transferred to Hanford. Approved PSAP personnel that transfer from other sites, complete Hanford specific PSAP requirements, and precertification documents are approved into the Hanford PSAP program within 5 working days.
- DOE-RL will approve STL(s) for discard of legacy Pu holdup within 60 days of submittal by FH.

2.d

- Expedite non-PSAP security clearance processing for a large number of PFP new hires; average Q clearance processing durations will be reduced to 6 months; clearances active at other DOE sites can be transferred to Hanford. Approved PSAP personnel that transfer from other sites, complete Hanford specific PSAP requirements and precertification documents and are approved into the Hanford PSAP program within 5 working days.
- FH will accelerate submittal of the safeguards and security plan for elimination of the PFP Protected Area; approval by DOE-RL will be provided within 90 days of submittal.
- DOE-RL will approve requests for reconfiguration and/or elimination of MBAs and MAAs within 30 days of receipt from FH.

<u>Performance Objective 3</u>

- Support FH efforts to gain concurrence that NEPA/SEPA, RCRA permitting/NOC can start based on conceptual design (03/31/04).
- The Cs/Sr safety analysis will be approved by DOE-RL within 60 days of submittal.
- DOE-RL will approve Vulnerability Assessment within 60 days of submittal.
- DOE-RL will issue the authorization to proceed no later than April 1, 2003.
- Safety analysis will start based on the Conceptual Design Report.

<u>Performance Objective 4</u>

- DOE-RL will expedite processing of 8 - 12 security clearances for FFTF persons in critical positions within 90 days of submittal. Estimated submittal date April 1 – July 1, 2003.
- DOE-RL will approve by April 1, 2003 the FFTF fuel offload security plan that FH will submit by December 31, 2002.
- The SARP that addresses technical changes for the ISC and the transporter system for on-site shipments will be approved by DOE-RL within 60 days of submittal to DOE-RL.
- DOE-RL will approve the existing FFTF FSAR as adequate in meeting the requirements of 10 CFR 830, Subpart B by December 31, 2002.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
S-4 - Disposition At-Risk Waste

Desired Endpoint/Outcome: Disposition At-Risk Waste
$29.6 M of the fee available in Contract Clause B.4

Performance Objective 1: Dispose of above ground legacy and newly generated waste by 9/30/06.
$14.0 M of the fee available in Contract Clause B.4.

Performance Objective 1a: Ship all above ground TRU by 6/30/05.

- $3.0 M may be earned as progress payment in 15 increments of 64 cubic meters of above ground TRU shipped.
- $2.0 M may be earned as progress payment upon final shipment of above ground TRU by 6/30/05, linearly decreasing per day to $0 by 9/30/05.
- $1.0 M may be earned as progress payment upon shipment by 9/30/06 of 1,000 cubic meters newly generated waste.

Performance Objective 1b: Treat and/or dispose of Mixed Low-Level Waste by 9/30/06.

- $4.0 M may be earned as progress payment in 10 increments of 10% of stored MLLW.
- $2.0 may be earned as progress payment upon treatment and/or disposition of all stored MLLW by 9/30/06.
- $2.0 M may be earned as progress payment upon treatment and/or disposition by 9/30/06, all MLLW newly generated through 3/30/06 and right-size the infrastructure to maintain an average of no more than 6 months of generated inventory of above ground waste.

Performance Objective 2: Disposition suspect TRU (below ground) by 9/30/06.
$11.6 M of the fee available in Contract Clause B.4.

- $4.0 M may be earned as progress payment in 18 increments of 160 cubic meters and 1 increment of remaining cubic meters for retrieving, designating and dispositioning ~3040 m^3 of suspect TRU from those locations with highest Pu concentration (218-W-4C, Trenches 1, 4, 20, 24 and 29 and 218-W-4B, Trenches V7 and 7).
- $4.0 M may be earned as progress payment upon completion of retrieval of ~3040 m^3 suspect TRU from those locations with highest Pu concentration (218-W-4C, Trenches 1, 4, 20, 24 and 29 and 218-W-4B, Trenches V7 and 7).
- Prepare the Buried Transuranic Waste Disposition Plan (12/01/03). Implement actions as defined the plan (TBD). $3.6 M may be assigned to implementing actions (reserved until plan is completed)

Performance Objective 3: Implement actions derived from Solid Waste (EIS) by TBD
$4.0 M of the fee available in Contract Clause B.4

- $4.0 M may be assigned to milestones to be determined.

Signatures

_____ _____
E. Keith Thomson, President & Chief Executive Officer Date
Fluor Hanford, Inc.

_____ _____
K.A. Klein, Manager Date
Richland Operations Office

Attachment 2

DOE-RL Performance Completion Criteria/Evaluation Document

The following completion criteria, assumptions and GFI/GFS commitments establish the technical and regulatory basis upon which the accelerated closure actions and dates are premised. This does not assume that issues associated with the assumptions have been resolved; but rather, that we have reached agreement that the assumptions have merit and we will work together with affected organizations and agencies to resolve the issues.

FY 2003 - FY 2006 FHI PERFORMANCE INCENTIVE
S-4 - Disposition At-Risk Waste

Performance Objective 1: Dispose of above ground legacy and newly generated waste by 9/30/06.

Performance Objective 1a: Ship all above ground TRU by 6/30/05

- Ship all above ground TRU to WIPP
  - Shipment is defined as complete upon departure of the waste from the Hanford Site. Transportation may be accomplished either by truck or rail.
  - If volume reduction is utilized for packaging of the TRU waste, the pre-packaging volume may be utilized for completion of this Performance Incentive. For example, if five 55-gallon drums of transuranic waste are compacted and packaged in an 85-gallon over-pack drum, then 1 cubic meter of transuranic waste may be counted for certification.
  - Meet all acceptance criteria for WIPP
  - One cubic meter (m^3) of TRU is defined as five 55-gallon drums or three 85-gallon drums.
  - One standard waste box is defined as 1.8 m^3 of TRU.
  - One ten-drum over-pack is defined as 5 m^3 of TRU.
  - Only containers filled with waste may be counted towards the required volumes of this Performance Incentive. Dunage drums (or similar) may not be counted towards the required volumes of the Performance Incentive.

Assumptions

- Above ground TRU waste is defined by the present inventory of CWC Contact handled TRU waste acceptable for WIPP and does not include:
  - Shielded containers to contact handled levels
  - Remote handled waste
  - PCB waste
  - Lab Packs
  - Waste packaged in containers other than 55-gallon drums, 85-gallon drums and Standard Waste Boxes
- Waste from Performance Incentive S4, Performance Objective 2 is also processed through DOE provided Accelerated Process Lines
- Waste from Performance Incentive S5 is also processed through DOE-provided Accelerated Process Lines.
- There are no significant regulatory changes to the WIPP Hazardous Waste Permit, WIPP Waste Acceptance Criteria, Carlsbad Quality Assurance Program Document, and the TRUPACT-II Safety Analysis Report.
- Drum transfers between facilities and buildings are accomplished with commercial practices.
- Carlsbad will approve Single TRU Waste Certification Program by 9/30/04.
- Documents to support Accelerated Process Lines (APL) need to be approved by DOE and regulatory authority within 60 days of submittal.

- Drum APLs have an annual capacity of 4,000 drums and the box APL has an annual capacity of 300 standard waste boxes.
- Head gas sampling facility modifications are expense-funded acquisitions.
- ETEC and BCL TRU Waste will be managed as part of the existing program with funding provided by the generator. Other off-site TRU wastes are not included.
- The transition time from receipt of an APL to operations is eight months. DOE-RL is responsible to transition APLs to the operation mode including, standard startup review.

Performance Objective 1b: Treat and/or dispose of Mixed Low-Level Waste by 9/30/06

- Treat and/or dispose of all Mixed Low-Level Waste
  - The contractor shall have treated MLLW to a condition such that the waste is compliant for disposal and meets the RCRA Land Disposal Restrictions (LDR).
  - Mixed Low-Level Waste that does not require treatment to meet RCRA Land Disposal Restrictions, or has been treated by the generator, may be directly disposed and counted towards the required volumes of this Performance Incentive.
  - Waste currently categorized as MLLW, and in storage, may be counted towards the required volumes of this Performance Incentive if recategorized or otherwise determined to meet regulatory requirements for disposal.
  - The contractor shall have thermally treated up to 600 m3 depending on availability of industrial capacity (pre-treatment) volume of MLLW by 9/30/06. The waste must be treated to a condition such that the waste is compliant for disposal and meets the RCRA Land Disposal Restrictions (LDR) or shall exit regulatory requirements (e.g., status of RCRA characteristic waste after treatment).
  - Disposal of MLLW is defined as the placement of compliant waste into the appropriate waste trench based on the waste acceptance and permit criteria.
  - The measurement of waste volumes to be counted toward the PI objectives shall be defined as follows:
    - For MLLW requiring treatment prior to disposal, the waste volume shall be based on the pre-treatment waste volume as recorded in the Operational Record for each waste package and/or shipment (bulk waste loads).
    - For MLLW that does not require treatment after generation or has been treated by the generator to meet LDR's, the waste volume shall be based on the disposed waste volume as recorded in the Operational Record for each waste package and/or shipment (bulk waste loads)
  - Decommissioned Naval Reactor Compartments may not be counted towards the required volumes of this Performance Incentive.

Assumptions

- The "stored MLLW" inventory is the MLLW volume currently residing in the CWC (~7000m3) and retrieved wastes not expected to exceed 1100 M^3. Exclude: other stored MLLW inventories at the Hanford Site, and ~700m3 of MLLW which currently does not have a treatment path and/or is targeted for M-91 disposition (e.g., large sized containers, RH-MLLW, high mercury subcategory waste, and other technology specific treatments).
- There will be sufficient commercial treatment capacity available for the standard LDR Report waste streams (e.g., MLLW-02, MLLW-03, MLLW-04a/b and MLLW-05).
- It is assumed that the newly generated MLLW is defined by the SWIFT Report 2002.1. It does not include the following:
  - MLLW from offsite generators
  - Non-PHMC MLLW that is received not meeting LDR disposal requirements
- It is assumed that all MLLW being received from Non-PHMC generators will be delivered LDR compliant and directly disposed.

Performance Objective 2: Disposition suspect TRU (below ground) by 9/30/06

- Retrieve suspect TRU from those locations with highest Pu concentration for example, 218-W-4C, Trenches 1, 4, 20, 24, and 29 and 218-W-4B, Trenches V7 and 7.
  Retrieval is defined as removing the drums or boxes from the stack, making a designation as to TRU or non-TRU, designate non-TRU as Low-Level Waste or Mixed Low Level Waste. Waste designation as to TRU, LLW, or MLLW must be performed either by assaying the drums or boxes, or through a DOE-RL-approved alternate methodology. Drums/boxes retrieved will be permanently disposed or stored as process capabilities allow.
  - For purposes of completing this Performance Incentive, TRU and TRUM (TRU Mixed) are considered synonymous.
- Issue the Buried Transuranic Waste Disposition Plan by 12/01/03
  - Implement actions as defined in the plan (TBD)
  - For purposes of completing this Performance Incentive, TRU and TRUM (TRU Mixed) are considered synonymous.

Assumptions

- The Buried Transuranic Waste Disposition Plan will follow HFFACO provisions for RCRA/CERCLA integration and coordination. The plan will be closely coordinated with the "Comprehensive Area Plan" identified in PI S-6, Performance Objective 2. These two efforts may be issued as a single document.
- Drum management, retrieval, movement and shipment can be accomplished using commercial practices and risk acceptance (e.g., wood pallets, standard fuel powered equipment, standard transfer/trailer systems).
- The DOE-RL-approved Project Execution Plan (HNF-9432, Rev. 0) assumptions apply, as amended by workscope revision of this PI.
- Contact handled TRU waste does not include:
  - Shielded containers to contact handled levels
  - Remote handled waste
  - PCB waste
  - Lab Packs
  - Containers with special handling requirements as defined in the Project Execution Plan, Section 5.6 (HNF-9432, Rev. 0).
- Contractor readiness assessment is the required project startup readiness review
- It is assumed that waste will be designated via process knowledge and burial record information with limited characterization necessary.

Performance Objective 3: Implement actions derived from Solid Waste (EIS) by TBD

The Solid Waste Environmental Impact Statement (HSW EIS) contains analysis of the impact of receiving additional waste, and the Record Of Decision will provide the policy and path forward for the waste management activities described in the Performance Management Plan for the Accelerated Cleanup of the Hanford Site (HPMP) Accelerate Waste Disposal initiative. Key outcomes of the Record of Decision may be additions to the approved generator list and increased LLW and MLLW disposal volumes.

Assumptions

- Integration of ILAW disposal alternatives will be limited to high-level planning efforts.

Government Furnished Services/Items:

Performance Objective 1a

- DOE provides TRUPACT shipping casks, trailers, drivers, TRUPACT spare parts to perform up to 250 shipments per year by 2005
- DOE must provide the drum Accelerated Process Line (APL) equipment, personnel, and funding for WIPP certification and shipment by 1/1/04 to include:
  - 2 drum NDE units, 2 drum NDA units, 2 headspace gas sampling and analysis units, 2 drum repackaging gloveboxes, and 1 mobile TRUPACT loadout station
  - DOE must provide the box Accelerated Process Line (APL) equipment and funding for WIPP certification and shipment by 7/1/04 to include: 1 box NDE unit, 1 box NDA unit, and 1 box repackaging glovebox.
- DOE provides certified WIPP Solids Sampling program by 6/30/04.
- MDSA/Safety analysis will be approved by DOE-RL within 60 days of submittal.
- Approval to ship TRU Waste through the State of Oregon during winter months (December through March) is received by September 2003.
- The Environmental Assessment for the Carlsbad APL is approved within 60 days of submittal.
- The WRAP LLW glovebox conversion safety analysis will be approved within 60 days of submittal.
- Certification audit priority from DOE-CBFO.
- Accelerated DOE-CBFO waste stream certification processes.

Performance Objective 1b

- Authorization to dispose of some of the MLLW off the Hanford Site (e.g., Envirocare) by 12/31/2002.
- Approval of the 200ETF Delisting Modification Petition for acceptance of F039 multi-source leachate for Hanford's RCRA Subtitle-C disposal units by 01/31/03 as scoped in the current delisting petition.
- Approval to dispose of the 183-H Basin waste into ERDF by 03/31/2003.
- Authorization to ship MLLW off the Hanford Site utilizing the existing waste characterization/process knowledge for RCRA and DOT requirements by 7/31/2003.
- Approval of the Hanford Solid Waste EIS by 07/31/2003.
- Authorization for RCRA treatment, including alternative treatment of MLLW by 09/01/2003.
- The Master Documented Safety Analysis (MDSA/safety documents) will be approved by DOE-RL within 60 days of submittal.
- Enforce non-PHMC generators to deliver LDR compliant waste.
- FH controls waste scheduling for all waste types.

Performance Objective 2

- The TRU Retrieval Safety Analysis will be approved by DOE-RL within 60 days of submittal
- FH will submit a Solid Waste Security Plan for any security interest exhumed from low-level burial grounds. The security plan will be approved by DOE_RL within 30 days of submission.
- FH will determine need for decision document revisions by 12/30/02. Key decision document revisions approved by DOE-RL and stakeholders, e.g., NOC, NEPA EA revision, LLBG/CWC permit revisions by 3/15/03.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
S-5 - Demolish Excess Hazardous Facilities

Desired Endpoint/Outcome: Complete Demolition of Excess Hazardous Facilities.
$45.0 M of the fee available in Contract Clause B.4.

Performance Objective 1: Complete deactivation (ready for demolition activities and all contamination can be dispositioned with demolition debris) of all PFP facilities by 9/30/06.
$39.0 M of the fee available in Contract Clause B.4.

- $17.0 M may be earned as progress payment for removal and disposition of process equipment for each Area or Sub-Area as designated in Tables A, "Fee Schedule" and Table B, "Scope and Boundary Description" of the DOE-RL Performance Completion/Evaluation Document, Attachment 3.
- $9.0 M may be earned as progress payment for each Area or Sub-Area deactivated (ready for demolition) by category as designated in Tables A, B and Table C, "Ready for Demolition", of the DOE-RL Performance Completion Criteria/Evaluation Document, Attachment 3.
- $13.0 M may be earned as progress payment upon completion of deactivation of all PFP facilities by 9/30/06.

Performance Objective 2: Demolish Pu Concentration Facilities by 9/30/06

$6.0 M of the fee available in Contract Clause B.4.

- $2.5 M may be earned as progress payment for demolition of the 233-S (Pu Concentration Facility) and 233-SA (Exhaust Filter Building) to slab on grade by 6/30/04, linearly decreasing per day to $0 by 9/30/04.
- $1.0 M may be earned as progress payment for demolition of 224-B (Concentration Facility) to slab on grade by 9/30/06. $0.5 may be earned as progress payment for completion to a demolition ready state.
- $1.5 M may be earned as progress payment for demolition of 224-T (Transuranic Storage & Assay Facility) to slab on grade by 9/30/06. $0.5 may be earned as progress payment for completion to a demolition ready state.

Signatures

_____ _____
E. Keith Thomson, President & Chief Executive Officer Date
Fluor Hanford, Inc.

_____ _____
K. A. Klein, Manager Date
Richland Operations Office

Attachment 3

DOE-RL Performance Completion Criteria/Evaluation Document

The following completion criteria, assumptions and GFI/GFS commitments establish the technical and regulatory basis upon which the accelerated closure actions and dates are premised. This does not assume that issues associated with the assumptions have been resolved; but rather, that we have reached agreement that the assumptions have merit and we will work together with affected organizations and agencies to resolve the issues.

FY 2003 - FY 2006 FHI PERFORMANCE INCENTIVE
S-5 - Demolish Excess Hazardous Facilities

Performance Objective 1: Complete deactivation (ready for demolition activities and all contamination can be dispositioned with demolition debris) of all PFP facilities by 9/30/06.

- Complete process equipment removal and disposition
  - Remove and disposition process equipment as listed in Table B, "Scope and Boundary Description". Area/Sub area(s) are completed when the removed equipment is packaged and sent to CWC for offsite shipment to WIPP or placed in final state to other receiver requirements.
  - Completion is when process equipment has been removed and dispositioned to the receiver site requirements. Final disposition includes such activities as characterization, packaging, and shipment to the burial site or final disposition.
- Complete deactivation (ready for demolition activities and all contamination can be dispositioned with demolition debris) of all PFP facilities by 9/30/06
  - Building structures shall be decontaminated to a low enough level to allow building demolition to proceed. All demolished building debris would be suitable for on-site disposal.
  - Ready for demolition is defined in Table C, "Ready for Demolition".

  The fee will be earned based on complexity and risk of the deactivation work to be completed as defined in Table A, "Fee Schedule".

  Assumptions
  - No security clearances are required for the PFP complex and all Protected Area and internal access and egress controls are eliminated once legacy Pu holdup removal and SNM deinventory are complete. Clearances may still be required for access to Limited Area islands.
  - US/Russian NDA activities will be conducted on a non-interference basis and will be terminated by 9/30/03.
  - Remediation of Tank 241-Z-361 is not in this accelerated closure work scope, however FH will complete the EE/CA and draft Action Memorandum for this tank.
  - Underground equipment and tanks (e.g. septic tanks, fuel tanks, waste tanks) and utilities (e.g. drain lines, ducts, power lines, cathodic protection, etc.) will not be remediated and will be left in place, unless specifically noted in the end point descriptions in the PFP Facility Transition End Point Criteria Document (TPA M-83-20).

Performance Objective 2: Demolish Pu Concentration Facilities by 9/30/06

- Demolish 233-S (Pu Concentration Facility and 233-SA (Exhaust Filter Building) by 6/30/04
  Complete demolition of the 233-S and 233-SA facilities to slab on grade. Underground structures, systems, components and soil remediation are excluded from this scope.

- Demolish 224-B Concentration Facility by 9/30/06
  Complete demolition of the 224-B facility to slab on grade. Underground structures, systems, components and soil remediation are excluded from this scope. Demolition ready state is defined as building structures are decontaminated to a low enough level to allow disposition of building debris at ERDF.
- Demolish 224-T (Transuranic Storage & Assay Facility) by 9/30/06
  Complete demolition of the 224-T facility to slab on grade. Underground structures, systems, components and soil remediation are excluded from this scope. Demolition ready state is defined as building structures are decontaminated to a low enough level to allow disposition of building debris at ERDF.

Assumptions:

- Demolition of excess facilities will be accomplished pursuant to a CERCLA decision document (in accordance with HFFACO requirement for RCRA/CERCLA integration and coordination) that will evaluate the feasible alternatives. The CERCLA decision document must be completed by 9/30/03.

Government Furnished Services/Items:

Performance Objective 1

- DOE will expedite non-PSAP security clearance processing for a large number of PFP new hires; average Q clearance processing durations will be reduced to 6 months. Clearances active at other DOE sites can be transferred to Hanford. Approved PSAP personnel that transfer from other sites, complete Hanford specific PSAP requirements, and precertification documents are approved into the Hanford PSAP program within 5 working days thereafter.
- DOE will approve the 232-Z DSA and PFP Deactivation and Decommissioning Basis of Interim Operations (BIO) prepared in accordance with 10CFR830 within 60 days of submittal.
- DOE will issue a decision on the PFP Transition EA within 180 days of submittal.
- DOE will approve the PFP facility End Point Criteria document within 90 days of submittal.
- DOE-RL and regulator approval of numerous RCRA, Clean Air Act, NHPA, NEPA, CERCLA, submittals in accordance with standard review/approval process durations.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
S-6 - Cleanup and Protect Hanford Groundwater

Desired Endpoint/Outcome: Complete actions to protect groundwater and transition Central Plateau
$19.0 M of the fee available in Contract Clause B.4

Performance Objective 1: Clean up and protect Groundwater
$10.0 M of the fee available in Contract Clause B.4

Fee bearing milestones will be developed based on the Hanford's Groundwater Plan: Accelerated Cleanup and Protection, 2002. Regulatory endorsement will be documented. (Activities will be derived from the groundwater protection plan that addresses high risk source control, dramatically reduce recharge conditions, shrink the footprint of contaminated areas, resolve current pump and treat operations, and integrate site monitoring needs.) Fluor Hanford, Inc. is to lead the development and support endorsement of that plan with the regulators.

Performance Objective 2: Transition the Central Plateau
$9.0 M of the fee available in Contract Clause B.4

Performance Objective 2a: Remove U Plant ancillary facilities, remediate U Plant waste sites, and readying U-Plant for demolition in accordance with Records of Decision by 9/30/06

- $2.0 M may be earned as progress payment upon removal of all U Plant ancillary facilities to slab on grade. Underground structures, systems and components are excluded from the ancillary facilities scope of work.
- $3.0 M may be earned as progress payment upon remediation of U Plant Area high risk waste sites (coordinated with regulators).
- $2.0 M may be earned as progress payment upon readying U Plant for demolition by 9/30/06.

Performance Objective 2b: Complete area closures based on comprehensive area plan including BC cribs and trenches and BC control area by 9/30/06.

- $2.0 M may be earned as progress payment upon remediation of the BC cribs, trenches, pipelines, and the BC Controlled Area Surface Cleanup.

Signatures

_____ _____
E. Keith Thomson, President & Chief Executive Officer Date
Fluor Hanford, Inc.

_____ _____
K.A. Klein, Manager Date
Richland Operations Office

RL-CO _____ Date _____

Attachment 4

DOE-RL Performance Completion Criteria/Evaluation Document

The following completion criteria, assumptions and GFI/GFS commitments establish the technical and regulatory basis upon which the accelerated closure actions and dates are premised. This does not assume that issues associated with the assumptions have been resolved; but rather, that we have reached agreement that the assumptions have merit and we will work together with affected organizations and agencies to resolve the issues.

FY 2003 - FY 2006 FHI PERFORMANCE INCENTIVE
S-6 - Cleanup and Protect Hanford Groundwater

Performance Objective 1: Clean up and protect Groundwater.

- Provide plan (Hanford's Groundwater Plan: Accelerated Cleanup and Protection, 2002) that includes assumptions and milestones, which shall become the basis for fee allocation. Milestones should include but not limited to:
  - High risk waste site remediation
  - Central Plateau water system renovations
  - Sitewide decommissioning of high-risk wells and unused wells
  - Carbon Tetrachloride DNAPL Field Investigation
  - Implementation of interim and/or final Records of Decision for groundwater operable units
  - Well network enhancements
- Complete negotiation of fee bearing milestones 30 days after approval of the plan.

Performance Objective 2: Transition the Central Plateau

- Complete closure of U Plant Area waste sites and ancillary facilities in accordance with Hanford's Groundwater Plan: Accelerated Cleanup and Protection, 2002 by 9/30/06
  - U Plant ancillary facilities shall be remediated in accordance with the Canyon Disposition Initiative (CDI) Record of Decision and the Final Feasibility study for the CDI (221-U Facility).
  - Remediate all waste sites in the U Plant Area that are outside the proposed environmental cap to be placed over the 221-U facility and ancillary facility debris (DOE-RL 2001-11, Final Feasibility Study for the Canyon Disposition Initiative, 221-U Facility).
  - Activities include high-risk waste sites 216-U1, -U2, U8, -U16, and –U17. 216-U12 is also included assuming it can be closed in accordance with HFFACO provisions for RCRA/CERCLA integration and coordination. Identify and manage interfaces with River Protection Project to ensure appropriate final closure.
  - Remediation of waste sites means completion of all protective measures (e.g., installation of engineered barriers, waste site stabilization and/or removal) in accordance with the U Plant Area Waste Sites Record of Decision.
  - Waste site remediation does not mean final backfilling and re-vegetation, and verification/closeout sampling.
  - Complete repair, upgrade, reroute, deactivate or remove U Plant Area pipelines including water lines and ensure water supply to support operational facilities.
  - Eliminate U Plant Area septic system discharges
  - Decommission wells in the U Plant Area.
  - This does not include demolition of U Plant, completion of the environmental cap over the facilities, or remediation of Office of River Protection structures, systems, or components.
  - Ready U Plant for demolition. A demolition ready state is achieved at the U Plant Canyon when the following endpoints have been met; Facility utilities and underground piping isolated (excluding what is needed to operate the canyon exhaust stack), attached facilities

removed from the canyon structure (if the facilities cannot be disposed of with the canyon debris), HVAC systems readied for shutdown, all material to be disposed of beneath the canyon coverblocks has been put in place, the canyon deck is clear of equipment and vessels, the canyon crane has been abandoned in place and sufficient characterization data exists to allow disposition of facility debris in ERDF or underneath the U Plant Area environmental cap.

- Complete closure of remaining areas based on comprehensive area closure plan for the remediation of excess Central Plateau facilities and waste sites by 9/30/06.
  - Define a disposition strategy for a significant contiguous block of the Central Plateau that will guide planning for subsequent remediation of facilities and land areas on the Plateau. Provide a plan for the Central Plateau facilities and waste sites disposition including scope, schedule, budget and recommendations on potential waste disposition opportunities by September 2003. The plan will identify CP facilities, waste sites, and structures assigned to DOE-RL, identify gaps in characterization, prioritize remediation by risk, and include ROM schedule and cost. The Plan shall address activities as level 4 of the DOE-RL-WBS and qualify as Rough Order Magnitude per DOE G 430.1-3, *Deactivation Implementation Guide*, and HNF-GD-8083 *Cost Estimating Guide.*
- Complete closure of additional areas (BC Crib Area) by 9/30/06
  - Complete BC Area cribs and trenches remediation, pipeline remediation and BC Controlled Area Surface Cleanup as described in Hanford's Groundwater Plan: Accelerated Cleanup and Protection, 2002 and the Record of Decisions.

Assumptions:

Performance Objective 1 and 2

- For Type III (Hazard Category III) DOE-RL will agree to a Contractor only Readiness Assessment or Standard Startup Review performed as necessary.
- Demolition of excess facilities will be accomplished pursuant to a CERCLA decision document (in accordance with HFFACO requirement for RCRA/CERCLA integration and coordination) that will evaluate the feasible alternatives. The CERCLA decision document must be completed by 9/30/03.

Government Furnished Services/Items:

Performance Objective 2a, and 2b

- The U Plant documented safety analysis (BHI-01157) will be approved by DOE-RL within 60 days of submittal**.**